

BACK TO BASICS

County Recordors Conference

April 2014

Government Accounting

- Funds
 - Fund Types
 - Fund Classifications
 - Revenue Accounts

Fund Types

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Internal Service Funds
- Enterprise Funds
- Trust Funds
 - Pension Trusts
 - Private Purpose Trusts
 - Investment Trusts
- Agency Funds

Fund Classifications

- General Government
- Public Safety
- Highways and Streets
- Sanitation
- Economic Development
- Health and Welfare
- Culture and Recreation

Revenue Accounts

- Taxes
- Special Assessments
- Licenses and Permits
- Intergovernmental
- Charges for Services
- Fines and Forfeitures
- Other

Expenses

- Classified by Major Budget Classification
 - Personal Services
 - Supplies
 - Other Services and Charges
 - Capital Outlay
- True even if appropriation is not required
- Exceptions for:
 - Internal Service Funds
 - Enterprise Funds
 - Trust Funds
 - Agency Funds

Budgets

- Budget vs. Cash
- Cash = \$\$\$
- Budget = Appropriation
- Major Budget Classifications
 - Personal Services
 - Supplies
 - Other Services and Charges
 - Capital Outlay

Basic Fund Accounting Rule

GENERAL RULE:

No permanent transfers of cash between funds

Two Exceptions by County Ordinance

1. Rainy Day Fund
2. County Economic Development Income Tax

Appropriation Transfers

- Within the same departmental budget
 - Same major budget classification
 - Auditor or Council per county policy
 - Between major budget classification
 - Council approval
- Across departmental budgets
 - Council reduces appropriation
 - Council adopts additional appropriation
 - Requires State (DLGF) approval

Accounting For Funds

- Essential to provide public accountability and transparency
- Cash Change Funds
- Petty Cash Funds
- Recording Fees

Cash Change Funds

- IC 36-1-8-2
- County Council allows & determines amount
- County Auditor draws warrant to custodian of the fund
- **Safeguard**
- **Reconcile**
- Whenever there is a change in custodian of the cash change fund the entire fund must be returned

Petty Cash Fund

- IC 36-1-8-3
- Council authorizes & establishes amount
- Auditor warrant issued w/o appropriation
- **Safeguard**
- **Reconcile**
- Reimburse through claims process
- Custodian must return entire fund before leaving office

Recorder's Records and Forms

- Computerized or Manual
 - Receipt / Instrument Number stamp
 - Fee and Cash Book
 - UCC Journal of Cash Receipts
 - Report of Collections
 - Record of Instruments Copied or Proofed
 - Check

Fees

- IC 36-2-7-10
- IC 36-2-7-10.1
- IC 5-14-3-8

- Collect the fees as authorized by statute only
- Strive for consistency

Forms of Payment Accepted

- IC 36-1-8-11
- County Council designates
 - Cash
 - Check
 - Bank Draft
 - Money Order
 - Bank Card or Credit Card
 - Electronic Funds Transfer (EFT)
 - Any other financial instrument authorized by the county council

Depositories

- State Approved Depositories –
www.IN.gov/tos
- County Board of Finance designated

Daily Deposits

- IC 5-13-6-1
- Within the next business day of the financial institution
- Deposit Intact
- Public Deposit Insurance Fund (PDIF)

Interest and Service Charges

- IC 5-13-9-6
- Interest may be earned
- Deposit to County General Fund (monthly)
- Do not net interest and service charges
- Service charges require a proper appropriation

Optical Images

- IC 5-15-6-3
- Correctly, accurately, and permanently copies, reproduces on film or other durable material.
- Front and back
- An optical image from the bank is the original record

Reconcilement

- Error Correction
- Internal Control
 - Fraud Prevention
 - Fraud Detection

Remittance to County Auditor

- Remittance should be timely
 - Monthly
 - Preferably after reconciliation
 - 10 days after month end

Bad Checks

- IC 36-1-8-13 Refer to Prosecutor – 90 days
- Try to collect
 - Establish policy
 - Document efforts
- Carry as reconciling item on reconciliation
- Write Off by submitting claim to county auditor
- Consider office policy for those that write bad checks, money orders, etc...

Budgets

- Annually prepare a budget
- County auditor will supply forms
- County council makes final decisions
 - Number of deputies and employees
 - Compensation of each
 - Budget appropriation amounts

Encumbrances

- Encumbrance is a carry forward of a budget appropriation into the next budget year
- Allowed when:
 - Contract
 - Grant Agreement
 - Purchase Order

Purchasing

- IC 5-22
- Commissioners are purchasing agency for County
 - Name purchasing agents
 - Contracting body
 - Small purchase policy
 - Service contract policy
 - Special purchasing methods

Claims

- Fully itemized invoice or receipt
- Approved by official that received goods or service
- Proper appropriation if not from RPF
- Approved or denied by Commissioners
- Work with the county auditor's office

Funds You Can Spend From

- County General Fund (Recorder's Budget)
- Recorder's Record Perpetuation Fund (RPF)
IC 36-2-7-10
- Identification Security Protection Fund
IC 36-2-7.5
- County Elected Officials Training Fund
IC 36-2-7-19

Identification Security Protection Fund

- Fund 1160
- Requires appropriation by the county council
- A county recorder may use money in the fund only to purchase, upgrade, implement, or maintain redacting technology used in the office of the county recorder.

County Elected Officials Training Fund

- Fund 1217
- Requires Appropriation
- Used solely to provide training of county elected officials required by:

IC 36-2-9-2.5	IC 36-2-9.5-2.5
IC 36-2-10-2.5	IC 36-2-11-2.5
IC 36-2-12-2.5	IC 33-32-2-9

Employee Service Records

- Required for each employee
- Each office or county auditor may maintain
- Must be posted in compliance with the county personnel policies for leave accruals, uses, and balance carry forward

Disposal of Property

- Surplus property must be reported to the Commissioners
- Commissioners determine
 - To use else where in the county
 - Dispose of property under IC 5-22-22

Errors

- Error correction is allowable and necessary
- Retain documentation and make notes
- Do not white out or back date postings